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FOREIGN AGRICULTURE

May 19, 1969

WORLD TRADE WEEK

15 YEARS OF P.L. 480

OVERSEAS BUYERS CONFERENCE

COWLIFT TO CHILE

Foreign Agricultural Service
U.S. DEPARTMENT OF AGRICULTURE

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In this issue

2 President's Proclamation on World Trade Week

3 Public Law 480 Approaches Its 15th Birthday

7 "Trade Fair in Reverse" Woos Foreign Buyers Making an Agreement Under Title I of P.L. 480

8 Soybeans—A Potential Cash Crop in India By D. R. Gulati

9 Year of Decreased Yields—Mainland China's Farm Output Down in 1968 By Marion R. Larsen

10 Shift in Danish Poultry Markets

11 Moroccan Farm Output Up, New Gains Sought

12 Government Policies Bring Changes in Mexican Grain

13 First U.S. Cowlift to Chile

14 Crops and Markets Shorts

20 Peru's 1968-69 Fishmeal Output and Exports

This week's cover:

President Nixon's Proclamation at right draws attention to world trade, as does this artist's portrayal of raw and processed agricultural products moving into ships and hence into world commerce.

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President's Proclamation on World Trade Week

There is a clear interrelationship between America's economic health and that of the rest of the world. It follows from this that the cause of stability and peace is served by the advancement of free-flowing world trade.

The United States works closely with other nations to promote the expansion of trade on an equitable basis in the world market. Our national trade policy supports the General Agreement on Tariffs and Trade and other international institutions that seek new ways to facilitate the fair exchange of goods between nations. By reducing barriers to trade, the United States and its trading partners have contributed to the growth of the world economy.

As we work toward freer trade, we recognize that our greatest strength lies in the traditional competitive urge of American business and labor. As their international efforts increase their earnings, the nation benefits from a strengthened dollar position and an improved balance of payments.

* * * * *

Additional outlets are needed for the diversity and abundance of our industrial and agricultural production. We also must find ways to help less developed countries participate more fully in world trade.

Enlarged markets for our goods and services speed the pace of our economic progress and advance the well-being of all our people. New markets abroad create new jobs at home; new avenues of world trade run parallel to new roads to world peace.

Government in the past has helped American industry and agriculture to open up new markets abroad; today we are more willing and better prepared to help than ever before.

Now, Therefore, I, Richard Nixon, President of the United States of America, do hereby proclaim the week beginning May 18, 1969, as World Trade Week; and I request the appropriate Federal, State, and local officials to cooperate in the observance of that week.

I urge business, labor, agricultural, educational, professional, and civic groups, as well as the people of the United States generally, to observe World Trade Week with gatherings, discussions, exhibits, ceremonies, and other appropriate activities designed to promote continuing awareness of the importance of world trade to our economy and our relations with other nations.

* * * * *

Richard Nixon

Public Law 480 Approaches Its 15th Birthday

"P.L. 480" (the Agricultural Trade Development and Assistance Act of 1954), entering the second half of its second decade this year, is the largest and longest lasting food aid and economic development program the world has ever seen.[1]

President Eisenhower, transmitting in January 1955 his first report on the law, called it "an expression by Congress of its determination to deal with the abundance of our agricultural production in a constructive way." Frankly designed as an experimental program for the disposal of surplus farm commodities, P.L. 480 helped to answer the emergency needs both of American agriculture and of hungry but dollar-short nations overseas. Over the years, however, responding to changing requirements on both sides, the program has grown into an innovative way of doing export business. This has benefited all concerned—not only the American farmers who produce the commodities, the businessmen engaged in moving them overseas, and the foreign families who ultimately consume them, but also the national economies of the United States and of the countries which P.L. 480 has been helping.

Stages in the Act's history

The story of P.L. 480 divides itself into broad chapters, each of which represents an aspect of the program that has been present from the beginning, but some of which have grown in importance during the years. First came the *surplus-disposal* period, in which American farm production in excess of domestic needs and commercial export possibilities was channeled to meet foreign food needs by means of sales paid for in foreign currencies, by grants and donations, and by barter, under the three "titles" of the original Act.

Next came increasing emphasis on *economic development,* as new ways evolved for utilizing both the existing farm products and the accumulating foreign currencies to help recipient countries strengthen their economies. At this time, the program acquired the general name of "Food for Peace"—from a phrase used by President Eisenhower in a January 1959 message to Congress.

By the end of 1963, the term *self-help* was finding a place in the food aid lexicon, as increasing numbers of economic and community development projects began to use P.L. 480 food and greater attention was given to improving agriculture in the recipient countries. In November 1966, self-help was built into the basic structure of P.L. 480 when the objectives of the Act were rewritten to include the encouragement of economic development in the developing countries, "with particular emphasis on assistance to those countries that are determined to improve their own agricultural production."

Signaled in the same legislation was the current chapter in the P.L. 480 history—the phasing out of the foreign currency sales program in an orderly *transition to sales for dollars,* which Congress scheduled for completion by December 31, 1971. This change reflects the increasing ability of many recipient countries to buy U.S. agricultural commodities for dollars, or on dollar-credit terms.

[1] Signed by President Eisenhower on July 10, 1954, this was the 480th public law enacted by the 83d Congress, and "P.L. 480" became the short name form under which it was known, carried out, extended, and amended during the subsequent years.

P.L. 480 today is an evolving program designed to increase the use of U.S. farm products abroad and at the same time help spur economic growth in the recipient countries. Above, the shipping yard of PERSIGAS, a private company in Iran which has financed the expansion of its liquid petroleum gas facilities by local sales of the U.S. wheat it bought on dollar credit.

Surplus disposal

The agricultural surpluses that were the motivating reason for P.L. 480 were of long standing. During both World Wars, U.S. agriculture geared itself for top production in order to help feed the populations of allied nations whose agricultures were disrupted by the hostilities. Following each war, big harvests in America have been necessary to help these allies—and former enemies also—regain normalcy. But, each time, as the agricultures of the war-devastated nations improved and their food relief needs lessened, U.S. food stocks have piled up. In the early 1950's, bumper crops made America's granaries spill over with quantities of food far in excess of those needed at home and those which could be marketed abroad through regular trade channels. Yet hungry millions living in food-short developing nations lacked the necessary foreign exchange to buy this surplus food. As storing of surpluses became ever more costly, the United States looked for ways to use them both to its own advantage and that of a hungry world.

How could the surpluses be put to use without upsetting the pattern of world trade? P.L. 480 was conceived as an answer. It provided three broad methods: Sales in return for "soft" foreign currencies rather than the "hard" dollars that too often were unavailable; donations to needy foreign people

Emergency feeding and school lunch programs have accounted for many P.L. 480 shipments. Above, canned milk reaches Ghana during a 1966 emergency; above left, an outdoor school lunch session in the Dominican Republic; left, Brazilian children bring containers from previous distribution for refills.

and grants of commodities to foreign governments to meet extraordinary requirements; barter for foreign-produced strategic and critical materials needed for stockpiling or U.S. Government use.

Over the 15 years, this massive program has moved approximately $18 billion worth of U.S. agricultural products into consumption throughout the world. Concessional sales (at first for foreign currencies, later also for dollar credit) have accounted for more than $12 billion; donations and grants, for about $4 billion; and barter, for nearly $2 billion.

Economic development

P.L. 480 early showed itself "not only as a market development activity but also as an instrument of international health and nutrition, a tool of economic and social development, and a vital force for peace and freedom." (So the Food for Peace Director described it in April 1962.) By 1959, when Food for Peace began, the emergency aspects of food aid were diminishing; the development aspects, beginning to expand.

It is true, of course, that from the beginning of P.L. 480, economic development had been among its major purposes. During the first year, about 43 percent of the foreign currency generated under sales agreements with 17 countries was scheduled to be loaned back to the countries for the promotion of multilateral trade and economic development—by far the largest currency use of the eight provided by the original law. Over the 15 years, the same general proportion has held good, with such loans totaling $5.7 billion equivalent, or 46 percent of all currency uses.

But the development purpose has been served in many other ways, direct and indirect. The developing countries have heavy expenses in building their economies—they need roads, dock facilities, warehouses, dams, factories, railroads, and the countless other elements of an industrialized society. The availability of P.L. 480 food through foreign currency sales or donations, without expenditure of the foreign exchange desperately needed for capital goods, has made it possible for many a country to expand or speed up its long-term development program. The extra food has also helped to control inflation, enabling consumers to buy more with their limited funds.

Self-help

Self-help too had been an aim of P.L. 480 from its early days, though it was not until 1966 that Congress made this aim official. By then, two facts had become clear: The U.S. agricultural surpluses had been greatly reduced, and the world's food needs required more than a massive food aid program. Thus, in 1966, P.L. 480 was amended to provide that commodities no longer need be surplus for programing under the Act, and—in recognition that world hunger is a world problem—that U.S. food aid should be concentrated on those countries that are willing to do the most to help themselves.

Specifically, the President was directed to take into account,

in making agreements under Title I, what the recipient countries were doing to increase their ability to produce more food or buy more food, or both, and to improve their means of storing and distributing agricultural commodities. Congress gave him criteria for evaluating these self-help efforts. Were the countries—

- devoting land resources to the production of needed food rather than to the production of nonfood crops—especially nonfood crops in world surplus?
- developing their agricultural chemical, farm machinery and equipment, transportation, and other necessary industries through private enterprise?
- training and instructing their farmers in agricultural methods and techniques?
- constructing adequate storage facilities?
- improving their marketing and distribution systems?
- creating a favorable environment for private enterprise and investment, both domestic and foreign, and utilizing available technical know-how?
- establishing and maintaining government policies to insure adequate incentives to producers?
- and allocating for these purposes enough budgetary and financial resources (in foreign exchange and in local currency)?

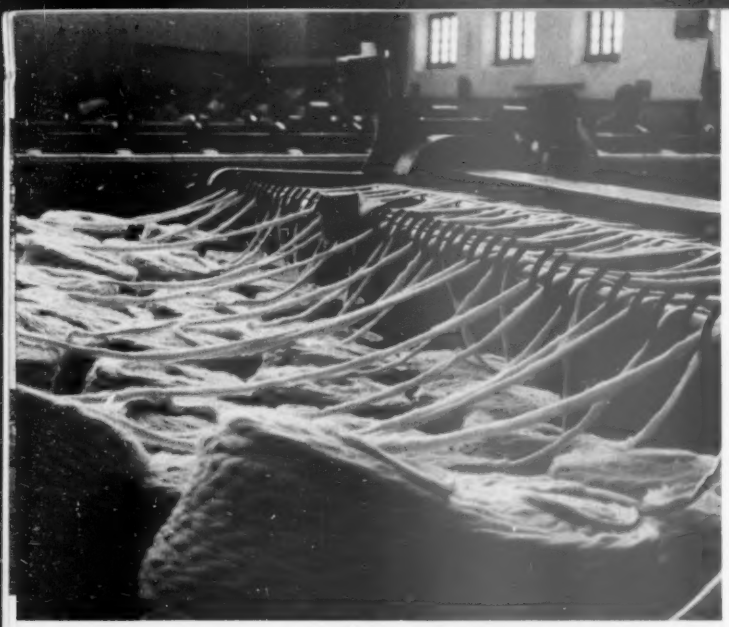
Later, Congress added another criterion—carrying out voluntary programs to control population growth. The law now requires that not less than 5 percent of the annual Title I proceeds under foreign currency sales agreements be made available for voluntary population control programs, if requested by the importing countries. Many of the countries suffering chronic food shortages have found that notable agricultural gains could be wiped out by the new millions joining their countrymen at the table. U.S.-owned local currencies are being used to support family-planning projects in Ceylon, Ghana, India, Indonesia, Nepal, Pakistan, and Tunisia.

Self-help has joined the P.L. 480 program with the same charge as the other provisions—usual marketings of the United States are safeguarded; sales to the countries are not allowed to disrupt world agricultural prices or normal patterns of commercial trade with friendly countries; private trade channels are used, to the maximum extent practicable; special consideration is given to developing and expanding foreign markets for U.S. agricultural commodities; and P.L. 480 sales are not to displace U.S. agricultural sales that would otherwise be made for cash dollars.

The transition to sales for dollars

The phasing out of foreign currency sales was foreshadowed as long ago as September 1959, when the Act received a new provision—Title IV—for export sales of U.S. farm products on long-term dollar credit terms. This new export tool recognized what the program was accomplishing in helping the recipient countries develop into better dollar customers, and it gave a strong boost to that process. By the end of 1966,

Food-for-work projects—an innovative P.L. 480 use. Left, in Morocco, irrigation canal being dug in the Agadir Area with U.S. food as part payment of workmen's wages. Below, in Indonesia, ship in Djakarta harbor unloads U.S. bulgur wheat destined to support a similar project. P.L. 480 foods also help pay the cost of equipment and materials for such development projects as these.



P.L. 480 U.S. cotton being used in a Bombay mill.

18 countries had signed agreements providing for purchases only on dollar credit terms, 10 for payment only in foreign currencies, and six for payment partly in foreign currencies and partly in dollar credit. The extension of P.L. 480 that fall recognized this achievement by putting *all* the export sales approaches under Title I—those for local currency, those for dollars on long-term credit, and (a new authorization) those for local currency on credit terms which permit conversion to dollars.

Of the 25 countries participating in the program during 1968, only one (Vietnam) had no dollar payment requirement; six again signed to pay partly in their own currencies and partly in dollar credit (but the proportion of dollar credit to foreign currencies rose in half these countries); and 18 again signed to pay only on dollar credit terms. All told, the movement to phase out foreign currencies has had accelerated success.

What happens when countries "graduate" from the stage of importing U.S. agricultural products on concessional terms? The experience of Japan, for example, is not necessarily typical of what can be expected to happen generally. Yet it is true that Japan's concessional imports helped it to invest more of its capital in industrial pursuits, and with such prosperous effect that today Japan is the No. 1 U.S. agricultural customer, importing almost $1 billion worth annually and paying for every item in hard currency.

The long-term credit program has already helped some developing countries begin their transition to all-dollar purchases. These countries include Brazil, Colombia, Ecuador, Greece, Israel, Iran, Peru, and the Republic of China.

What P.L. 480 has done for the United States

The 15-year span of this program has given a striking example of the updated adage that bread cast upon the waters may come back buttered. Inaugurating this mutually beneficial use of America's agricultural abuandance was an act right in the mainstream of the country's humanitarian tradition, and the satisfaction of helpfulness has of course been immense for all concerned with the program. Yet from the beginning, Americans have recognized that it is both good business and good citizenship to help friends in other countries attain greater prosperity.

From the practical businessman's point of view, P.L. 480 has been a success during its first 15 years. Its operations, added to other government and private endeavors, have helped to remove the burden of price-depressing surpluses from above the American farmer's head and have given him more opportunity to produce and greater income. It has greatly expanded export outlets—both concessional and, increasingly, commercial—for American farm products (commercial agricultural exports are now almost three times larger than those of 1954); and in so doing, it has turned agricultural exports into a major source of income for the whole U.S. economy. It has given employment to labor and profits to business, in U.S. enterprises whose functions support the production, storage, processing, and transportation of farm products. With food aid accounting for a substantial portion of U.S. wheat and rice export shipments, grain producers and handlers have benefited especially; but many other commodities have also moved in large volume.

Food for Peace exports have contributed importantly over the 15 years to the U.S. balance of payments position by saving dollars that otherwise might be expended overseas. Such savings, plus realized dollar returns, have totaled nearly $2 billion since 1960. Some of the local currencies derived from noncommercial sales of agricultural products abroad are allocated to "U.S. uses," such as U.S. Embassy costs, under a series of carefully devised programs. A portion goes into export promotion projects to develop new dollar markets for U.S. farm products, in cooperation with U.S. food, agriculture, and trade groups. This intensive worldwide effort contributed importantly to the expanded food exports achieved during the 1960's. Supporting it (and also supported by P.L. 480 funds) are marketing and utilization research efforts aimed at solving technical export problems and finding new ways in which American farm products can be used.

Spotlight on P.L. 480 Credit

During calendar year 1968, 25 developing countries signed 45 sales agreements and amendments with the United States under Title I of P.L. 480, for agricultural commodities with a total export market value of about $740 million. About a third, or $263 million, was programed for foreign currencies, and nearly two-thirds, or $477 million, for long-term credit. About two-fifths of the long-term credit total, or $201 million, represents sales under dollar credit terms, with about three-fifths, or $276 million, to be received in payments under convertible local currency credit arrangements.

These figures for 1968 compare with 22 countries signing 39 agreements during 1967 for a total of $1,222 million, of which three-fourths, or $912 million, constituted sales for foreign currency, and only one-fourth, or $310 million, represented long-term credit sales.

Record grain crops in India and Pakistan were largely responsible for the smaller total value of the agreements signed in 1968. India accounted for about 23 percent of the 1968 total, with Indonesia and Korea next in order among participating countries at 19 and 17 percent, respectively. Wheat and wheat products accounted for more than half the market value of the commodities in the agreements, followed by rice, vegetable oil, and grain sorghums.

"Trade Fair in Reverse" Woos Foreign Buyers

"I don't know where else or how else we would find so many foreign buyers in one place," was a typical comment among American food and food-equipment suppliers last week as the Foreign Agricultural Service (FAS) staged its first "trade fair in reverse," the Overseas Executive Food Buyers' Conference.

Held in connection with the Super Market Institute's 32nd Annual Convention and Educational Exposition in Atlantic City, N.J., May 11-14, the Conference drew 112 foreign buyers from 80 firms and 24 countries. Many came looking for specific products to round out their inventories; others, especially those from countries with growing consumer incomes, were interested in virtually all food products.

Whatever they were seeking they were likely to find at the SMI exposition where the exhibits of about 600 companies filled two floors of Atlantic City's famed convention hall. U.S. food suppliers erected attractive booths and brought along generous samples of their products to set up the largest display of U.S. branded foods ever assembled in one place.

Many exhibitors were introducing new products, including: frozen pizza that toaster heats in minutes; salad dressings; snack foods; bread, dumpling, and pancake mixes; a wide variety of bakery products; macaroni; condiments; prepared dinners; and dietetic cereals. Others featured new processing techniques for familiar products, such as meats and fruits.

Under Secretary of Agriculture J. Phil Campbell greeted the foreign buyers by acknowledging the uniqueness of the Conference. After many years of promoting U.S. foods and agricultural products at trade fairs and U.S. trade centers overseas, FAS and the U.S. food industry were reaching 24 countries at one time by inviting buyers to come here.

The Under Secretary emphasized that the Conference was more an educational than a commercial event and gave suppliers an opportunity to learn about the foreign buyers' operations and requirements. He pointed out that people around the world expect international-type supermarkets and that U.S. suppliers offer an incomparable variety of quality food products. The only problem he noted was trade restrictions. He expressed the hope that food-trade people around the world would join in a campaign to abolish restrictions that slow down trade.

Visitors were treated to two presentations on new developments in transporting American food and agricultural products overseas—one on containerization of perishable foods in international trade, and the other on future trends and developments in air cargo transportation. Both topics were of more than passing interest to many of the visiting buyers who were particularly anxious to get American supplies of fresh fruits and vegetables.

Among those interested in fresh produce were the buyers from France, Sweden, and Italy. All specifically wanted strawberries, iceberg lettuce, and celery hearts. Mr. Danilo Fatelli of Supermercati Alimentari SMA, Milan, Italy, pointed out that even Italy with its fine climate cannot supply fresh strawberries in the dead of winter. His firm has been importing some from California through Milan and operates 50 stores in Rome, Milan, and six other cities. Mr. Fatelli's company is also interested in widening its line of canned fruits and vegetables. Its annual supermarket sales amount to some US$100 million.

Buyers from developing markets for U.S. food and agricultural products were interested in a wide variety of products —primarily canned and frozen foods. Among them was Mr. Salam Sagher of Tripoli, Libya. Mr. Sagher operates three of the most up-to-date supermarkets in Tripoli. American foods account for some 70 percent of his annual average sales volume. He finds his clientele—many of them Americans —growing with the expansion of the oil industry in Libya, and he wants to expand his inventory of processed foods.

In attendance to speak with foreign buyers were special U.S. representatives of 12 important agricultural States and a number of cooperating trade associations.

Making an Agreement Under Title I of P.L. 480

Each sales agreement under Title I of P.L. 480 begins with the submission of a request for commodities by a foreign government, either to the American Embassy or to the U.S. Government in Washington through the foreign government's embassy there. Before the request is submitted, the U.S. Agricultural Attaché, other appropriate U.S. Embassy officials, and officials of the requesting government develop together evidence which supports the country's need for commodities in excess of its anticipated domestic production and its normal commercial imports. They consider such factors as consumption patterns, exports of similar commodities, and the supply position of the requesting country.

After review by U.S. Embassy officials, the request and recommendations are forwarded to the U.S. Department of Agriculture, which analyzes the submission and develops a program providing for the sale and financing of specified requested commodities. This program establishes suitable levels of required commercial imports by the recipient country from the United States and from countries friendly to the United States; proposes self-help measures to be undertaken by the requesting government; specifies the uses of currencies to be generated by the proposed sale; and incorporates all other necessary details.

USDA then submits the proposed program to the Inter-Agency Staff Committee on Public Law 480, which represents the Departments of Agriculture, Treasury, Defense, Commerce, and State (including the Agency for International Development) and the Bureau of the Budget. The Committee considers all factors bearing on the program, such as the country's needs, economic status, and foreign exchange position; the possible impact of a Title I program on U.S. dollar sales and other export programs and on the export markets of other friendly supplying countries; and its relationship to the U.S. foreign aid program and foreign policy.

If the proposal is approved, negotiating instructions are prepared, cleared with interested U.S. Government agencies, and transmitted to the U.S. Embassy, where the Ambassador or his representatives—usually including the Agricultural Attaché—meet with officials of the requesting government and negotiate the terms of a sales agreement.

Soybeans—A Potential Cash Crop in India

The soybean—wonder product in the United States—has gained acceptance in India, and that country is now preparing to grow it on a commercial basis.

Soybeans have been produced in some of India's hills for centuries and at experiment stations since the early 1950's, but it was not until 1967 that they received serious attention as a commercial crop. Until then, technology had not developed to the point where oilseed cakes could be processed for food. With only low-value uses made of these cakes, other oilseeds with high oil content—peanuts, mustard, rape, and coconut—naturally dominated the market.

Peanut oil, for instance, was for years considered by Indian manufacturers to be the only satisfactory raw material for vanaspati, a granulated hydrogenated oil used for cooking. But as India increased its imports of U.S. soybean oil under Public Law 480, the manufacturers with U.S. technical help were able to process soybean oil so that it could be successfully used in vanaspati. This created a demand, which was further expanded by imports under U.S. P.L. 480 programs. As part of our AID programs, nutritionists have stressed the value of oilseed cakes, particularly soybean, in human nutrition, as well as the other merits of soybean products. Indian researchers, farmers, and food processors, in turn, have become actively interested in this plant that developed so rapidly in the United States.

U.S. varieties adapted

U.S. varieties have played an important part in the soybean's emergence. In recent years, the Indian Agricultural Research Institute and associated agricultural universities have tested American varieties in north and central India. Two U.S. southern varieties—Clark-63 and Bragg—proved especially adaptable in 1965 and 1966 trials. Imports of 12 and 40 tons of seed in 1967 and 1968, respectively, provided a basis for seed multiplication in Uttar Pradesh and Rajasthan.

During the current winter, beans were also planted in tropical Mysore to provide a second crop for seed increase during the year. This area, incidentally, is less than 10 degrees north latitude, and bean production there indicates greater adaptability than would normally be expected.

By June 1969 more than 2,000 tons of seed are expected to be available for planting during the coming monsoon season. Most results to date have been highly favorable. Yields at the Pantnager Experiment Station in Uttar Pradesh have varied from 30 to 60 bushels per acre and at Jabalpur in Madhya Pradesh from 13 to 61. Even in tropical Mysore respectable yields of 20 to 30 bushels per acre have been recorded on experiment stations. And some leading North Indian farmers are obtaining 30 to 35 bushels per acre.

Several problems still evident

Despite these favorable developments, soybean production in India is not without problems. In north India, for instance, the crop is grown under monsoon conditions with rainfall varying greatly. This means that in years of heavy precipitation, extreme care must be taken to avoid water logging, and cultivation becomes impossible. Insect pests also cause substantial losses.

Moreover, the seed multiplication program at the mechanized state farm at Suratgarh, Rajasthan, where 900 acres were planted, received a serious setback in 1968 because of the light soil and inadequate irrigation water. Yields reportedly averaged between 15 and 20 bushels per acre, but beans suitable for seed averaged only 6 bushels per acre. The Government of India has decided that water supplies are too uncertain here to risk planting in 1969.

Recent progress on farms indicates that supplies of beans may be available before facilities for processing and distribution can be provided. An infrastructure for the domestic industry must be developed, and this will require time. Also, the only real market now existing is the antibiotic industry, which utilizes some 10,000 tons per year. Baby food manufacturers report a demand for a comparable quantity, but this meal has been imported.

Still, with the basic research developed in the United States being adapted to India, prospects for expanding soybean culture must be considered bright.

—D. R. GULATI

Office of U.S. Agricultural Attaché, New Delhi

Counterclockwise from below: An Indian and an American examine soybeans in field, a variety trial plot, and mechanical threshing of soybeans at the U.P. Agricultural University.

Year of decreased yields

Mainland China's Farm Output Down in 1968

By MARION R. LARSEN
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Out of the maze of contradictions that characterized Mainland China's economy and its cultural revolution in 1968 emerged some evidences that the country's economy was getting back on the track—although still facing an uncertain future.

Cumulative effects of the cultural revolution, which was so upsetting to the economy in 1967, continued to retard economic activity through the first half of 1968, but a noticeable upturn occurred in some sectors of the economy—primarily industry, transportation, power, foreign trade, and communications—during the second half of the year. However, agriculture—the mainstay of the economy—declined following its 1967 upsurge.

New guidelines for agriculture

Efforts made since mid-1968 by the government to restore order to the economy include numerous and diversified programs, some of which have had far-reaching effects in the rural sector. They include: Modification of private plots, resulting in fewer, smaller plots; reorientation of sideline production; intensified efforts to consolidate collective units in rural areas; and increased pressure to establish a more egalitarian wage system.

The socialist rural sector (which comprises communes, brigades, and production teams) is being modified and is having to assume increasing responsibility for rural education, public health, and agricultural mechanization. Most of the functions of the production teams (the basic agricultural units under the commune system of the earlier 1960's) appear to have been transferred to larger operating units, the brigades.

The general disruptions caused by these actions have been compounded by the mass movement of millions of urban dwellers to the countryside. Moves toward decentralization are also noted by the transfer of state machine stations and management of rural Supply and Marketing Service Centers to provincial and even commune control.

Not yet evident is the extent to which these programs are to be pushed. Many appear to be experimental or not sufficiently developed to establish a trend. Officials have linked many of these programs with their sloganeering of a new leap forward in agricultural production. The prospects of such a new leap appear premature at this time despite official intimations that the Third Five-Year Plan (1966-70) will be fulfilled a year ahead of schedule. There was no mention, however, of a leap forward at the recent Party Congress.

Second half of 1968 better than first

Mainland China's agriculture in 1968, although showing more resiliency during the second half of the year, did not maintain the 1967 level of performance. Weather, an especially important variable in crop production in China because of the country's limited investment and inputs, was less favorable than in 1967.

Planting and harvesting were delayed in many parts of China because of unusual weather conditions. The first half of the crop year was obnormally dry in the north and abnormally wet in the south. Agricultural inputs were down also, particularly of mineral fertilizer—despite fertilizer imports of about 7 million tons, the highest on record.

Total crop production was down despite claims of increased production by some provinces. The production decline was primarily the result of decreased yields, since little change was detected in the planted area.

Production of food crops was less than in 1967 but larger than in 1966. The reduction from 1967 was due primarily to the poor harvest of early rice, summer miscellaneous grains, and winter wheat. Other winter crops (barley, rapeseed, beans, and peas in the Yangtze Valley and sweetpotatoes in Kwangtung Province) also declined. The long period of cold, rainy weather in early spring and the torrential rains in May in South China helped bring about this decline as well as that of early rice. Early rice may have declined as much as 10 to 15 percent.

Weather conditions, except for those in northeast and northwest China, were more favorable during the second half of 1968. Fall-harvested crops (about two-thirds of the cereal crops and essentially all the industrial crops of oilseeds, fibers, and tobacco) fared better than the early summer crops. The major fall-harvested crops (intermediate and late rice, corn, sorghum, millet, cotton, tobacco, tea, sugar crops, peanuts, and soybeans) were smaller by varying degrees than in 1967.

Food supplies tighter

Procurement and distribution controls of agricultural commodities, especially food crops, were less effective with the breakdown of party discipline and civil organization. Thus, consumption of food during 1967-68 following the good harvest of 1967 was uneven, resulting in the dissipation of some food stocks. Although no food crises developed, shortages occurred in many areas and at unusual times. Use of substitutes was more prevalent. For example, there was a higher percent of coarse grains in the basic grain ration in some northern cities.

Cooking oil continued to be rationed and was unavailable at times. Pork was rationed at times in South China, and many household items—products of light industry whose raw materials originate on farms—were added to the growing list of rationed items. Many additional products—even grains, a prohibited private sales item—appeared on the black market. With a lower total grain production in 1968, the availability of food in the 1968-69 consumption year is expected to decline, but probably without serious consequences. As in past years, peasants will depend heavily on private plot output.

Trade continued to decline

Exports and imports continued to decline through the first half of 1968, but some improvement was noted during the second half of the year. Preliminary trade data indicate a larger reduction of imports than of exports developed as a

result of efforts to maintain a more even balance of trade. The Free World accounted for about 79 percent of total trade—about the same proportion as in 1967—compared with 25 percent in 1959, when China's trade was oriented to the Communist Bloc (especially the USSR). Trade with Japan, Western Europe—particularly the United Kingdom, West Germany, and Italy—and African and Latin American countries declined in 1968. Exports to Hong Kong, China's best source of foreign exchange, improved substantially in the last half of the year and slightly exceeded the 1967 level, although they were substantially below 1966.

Data on China's foreign trade also reflect shifts in commodity composition of imports in 1967 and 1968. In 1967, manufactures (including steel and steel scrap) replaced foods as the largest import item—a change accounted for mainly by the drop in wheat imports; cotton imports also declined in 1967. In 1968, foods regained the leading import position, partly because of an increase in wheat imports and a cutback from the abnormally high level of nonfood imports in 1967.

Food exports retained their leading position in 1967 and apparently also in 1968. Total exports continued to decline in both years.

Commodity data indicate that imports of wheat, China's major food import, increased to about 4.4 million tons in 1968 against about 4.2 million tons in 1967. Australian shipments substantially exceeded contracted amounts in 1968, possibly representing the 10-percent option of some past purchases. Other suppliers included Canada and France. Canada's sale of 1.59 million tons for delivery through July 1969 raises China's purchases under the 3-year agreement (August 1966-July 1969) to 6.4 million tons, or 87 percent of the high option of the 4.6-to-7.6-million-ton agreement.

For the current year, China's 2.2-million-ton purchase of wheat in January 1969 from Australia, a record single grain transaction for both countries, is to be delivered by March 1970. China has the option of requesting total delivery in 1969. If Sino-French negotiations result in wheat exports to China in 1969 in amounts hinted (600,000 to 800,000 tons), China's imports of wheat in 1969 probably will exceed those in 1968. Other purchases may be negotiated with Canada for delivery during the second half of the year.

Exports of rice, the major food export, in 1968 equaled those in 1967, exceeding 1 million tons each year. Exports to Ceylon, Singapore, Malaysia, and Cuba (each taking 100,000 to 200,000 tons) in 1968 about equaled those in 1967. Exports to Hong Kong increased, and those to the Middle East, Africa, Latin America, and Western Europe probably increased in 1968. Exports to North Vietnam probably increased substantially. These increases appear sufficient to offset declines in exports to Japan and Pakistan. Exports in 1969, however, may decline because of the lower 1968 rice crop.

Soybean exports in 1968 may have increased slightly over those in 1967. Exports to Japan alone amounted to 417,000 tons, a 6-percent increase over the previous year. Smaller exports may develop in 1969.

Outlook for 1969

The increased economic activity which became evident in the last half of 1968 is expected to continue in 1969—and possibly to accelerate. The upward trend in industrial output in 1968 probably will continue, particularly those sectors supporting agriculture, and foreign trade should increase. Early indications from the Ninth Party Congress in Peking are that the cultural revolution will continue to abate.

If near-normal weather prevails and if no further radical agricultural policies are imposed, agricultural production should increase in 1969. More inputs for agriculture should be available, particularly mineral fertilizer. Off-season preparations for the cropping program reportedly are more advanced and broader in scope than during the past 2 years. Official statements indicate that acreage of winter wheat and rapeseed for harvest in 1969 may have been expanded. A major unknown variable, however, is the delayed and full effect of the substantial social changes effected in the countryside during the last half of 1968. Available documentation of the Ninth Party Congress just concluded provide no clear indication of the course of government policy on agriculture.

Shift in Danish Poultry Markets

The changing of the markets for Danish poultry meat continued during 1968—with a heavy decrease in the traditional markets and some increase in new ones. In the past 4 years, exports to European markets have declined from 92 percent of the total to 56 percent because of high levies applied against third countries by the European Community. Exports to the Middle East and Far East have increased from 3 to 18 percent.

While Denmark's production of poultry meat decreased by only 1,600 metric tons in 1968, total poultry meat exports decreased by 4,700 tons. Total Danish exports of fresh, chilled, and frozen poultry meat (including edible offals) in 1968 were 43,133 metric tons compared with 47,856 tons in 1967. Total value of poultry meat exports was nearly $23 million in 1968, compared with about $24 million in 1967.

Danish exports of broilers and hens decreased by 5,213 metric tons to 38,192 tons in 1968. Exports of ducks increased from 178 tons to 241 tons. Geese exports were down 94 tons to 282 tons. Turkey exports declined by 115 tons to 3,190 tons.

The United Kingdom and Austria are still the main markets for Danish poultry meat. The export of broilers and hens to the United Kingdom is regulated by a system that gives Denmark an annual quota of 7,620 metric tons; the actual exports of these birds in 1968 to the United Kingdom amounted to 5,450 tons. Broiler and hen exports to Austria in 1968 amounted to 4,412 tons.

Total exports of eggs in shell declined by 7 percent or 1,513 metric tons to 20,006 tons in 1968; of this 9,789 tons was exported to the U.S. Armed Forces in West Germany and 3,050 tons to the United Kingdom. Exports to the United Kingdom decreased by nearly 2,000 tons because that country appealed to Denmark to reduce the export of eggs in the first half of 1968.

Because of difficult export market conditions, Danish production of poultry meat and of eggs, which declined 2.4 percent and 3.4 percent in 1968, are expected to decrease further in 1969. Danish broilers are in heavy competition with American broilers on the Swiss market, with Dutch on the Austrian market, and to some extent with domestic producers on the British markets.

—Based on dispatch from ARTHUR M. ROLLEFSON,
U.S. Agricultural Attaché, Copenhagen

Moroccan Farm Output Up, New Gains Sought

Moroccan crop and livestock producers last year enjoyed one of the best seasons in recent history. But drought-produced crop losses of the previous 2 seasons still linger in their minds, as do prospects for a lower outturn this year. Thus, the Moroccans are pursuing even more impressive advances in the years ahead through a new Five Year Plan that gives priority to agriculture and through several related development projects.

Weather favors crops — especially grains

Weather could hardly have been better in 1968—rains came at the right time and were just enough above normal to stimulate production without causing damage to crops. As a result, production of grains and pulses zoomed to an alltime record, almost double the level of the previous year; citrus output and exports continued upward; vegetables were in more abundant supply; sugarbeet production doubled in a year's time; and the olive crop hit a new high.

These successes came at an opportune time for Morocco, following 2 drought years that had depleted grain supplies, pastures, animal numbers, and operating capital of the farmers. However, incomes last year were not particularly improved because of the lower prices resulting from the bumper crops and the strong government efforts to collect on loans and back taxes.

The alltime record for grain production was over 5 million tons, with the three principal food grains (bread wheat, durum wheat, and barley) accounting for 4.6 million of this. Expansion was achieved with less than an 8-percent increase in area. It was a combination of factors that resulted in the increase: favorable weather during the growing and harvesting seasons, use of more fertilizer, improved seed, and better cultural practices. Yields were double the 1966-67 levels.

The drought years preceding 1967-68 had drained virtually all interior reserve stocks. Thus, 529,539 tons of grain were imported in the first 6 months of 1968; after the record harvest, imports ceased.

The big export, citrus, gains

Citrus production—over 80 percent of it oranges—and exports rose by 13 and 17 percent, respectively, during 1967-68, with excellent weather and increased bearing acreage accounting for the gain. Shipments of citrus—the leading foreign exchange earner—totaled about 610,000 tons in 1967-68 and went largely to France (41 percent), the USSR (19 percent), and West Germany (15 percent).

The crop is not doing as well this season, largely because of adverse weather conditions, especially in recent months. As a result, exports are expected to fall about 10 percent below last season's level.

Production of secondary fruits—dates, figs, wine and table grapes, peaches, apricots—is believed to have been favorably influenced by the good weather in 1967-68. Production statistics are late coming in for these fruits, but a rough estimate shows a gain from the year before.

Date production was exceptionally good, hitting around 100,000 metric tons, or 25 percent more than in 1966-67. This large crop reduced the need for imports during 1968 to only 77 tons, from Algeria and the Canary Islands, and probably left a few tons of dates for exports.

Almond production was about 5,000 tons (shelled basis)—3,500 of sweet almonds and 1,500 of bitter almonds. Exports of these two types in 1967-68 amounted to 3,570 and 1,570 tons, in-shell basis, respectively, with most going to the United Kingdom, France, and West Germany.

Grape production for wine amounted to 227,582 tons in 1968. The trend in this field has been downward since France greatly reduced wine imports from Morocco a few years back. Wine exported to France in 1968 totaled about 161 million gallons out of a total export of 251 million.

Good year for vegetables, industrial crops

Vegetable production for 1968 rose substantially over the previous year without a large increase in area. Among the export crops that advanced were tomatoes, up almost 50 percent to 300,000 tons, and potatoes, which recovered to 275,000 tons after being cut by drought the previous year. Total vegetable exports did not increase, however, because of the general strike in France—largest importer of fresh Moroccan vegetables.

Cotton production, estimated at 30,000 bales, showed little change in 1968 even though area was off sharply. Better insect control was partly responsible for the gain. The government is striving to increase production by correcting marketing and production inequities, which had sparked producer dissatisfaction with this export crop and caused cotton to lose ground to other more profitable crops. The government's goal is to expand output to 23,000 tons of seed cotton in 1969.

Exports of cotton in 1967 totaled 9,646 tons of long and extra-long staple, compared with imports of 6,608 tons of short staple. In the first half of 1968, however, imports exceeded exports, owing largely to the increased textile activity at home.

Also profiting from the good 1968 season was sugarbeet production, which more than doubled to 779,504 tons. The area for this year's crop is to be expanded by over a third, and beet production is forecast to jump to 1.1 million tons, for around 130,000 tons of refined sugar.

Olive production reached record proportions in 1968, totaling 250,000 tons. Olive oil from this is estimated at 40,000 tons (plus 25,000 tons of pressed olives), or over 2 times the previous year's production.

Because of the small 1967 crop, olive oil imports last year were large—76,000 tons of edible oils plus 8,000 of oilseed, oil equivalent; these came largely from the United States, the USSR, Romania, and Bulgaria. Exports of olive oil in 1968 were 2,050 tons.

Results from the other oil-bearing crops were mixed. Cottonseed production declined about 27 percent to 11,800 tons, while sunflowerseed chalked up a 39-percent gain to some 4,500 tons. Small quantities of safflower and peanuts were also produced.

A major loser last season was tobacco, production of which plunged 50 percent as a result of disease and insect attacks during the strategic growing period. Morocco continues to import dark, medium, and light tobaccos for blending; such imports totaled about 2,500 tons in the first half of 1968.

With the hope of sustaining the advances brought in 1968,

Morocco is giving special stress to agricultural development. The current Five Year Plan (1968-72) devotes to agriculture about 43 percent of its $2.2-billion budget. The goal is to get the greatest possible response in the shortest period of time by concentrating on the irrigated, modern, and fertile areas; these now make up about 22 percent of Morocco's cultivated land. Export crops and crops to replace expensive imports are being stressed, and agricultural service agencies are being renovated and expanded. Some foreign assistance to the program is coming from the United States, France, West Germany, Italy, the USSR, Kuwait, Iran, Denmark, and the International Bank for Reconstruction and Development.

In addition to the 5-year plan, several other agricultural development programs are underway. They include—

- The Charte Agricole or Agricultural Charter—a plan to expedite agricultural development and land reform. The first installment, recently introduced by the King, provides a workable schedule for redistribution and use of state-owned irrigated land and specifies terms and conditions of future operations of foreign-owned land.
- The DERRO project of the FAO, which concerns the development in the Rif mountain area of northern Morocco. It encompasses 4.4 million acres of steep, rough mountain land and 1.2 million people. This is an isolated area with poor accessibility, but it has resources that can be developed into natural vacation resorts; the FAO is attempting to increase incomes and crop production by controlling erosion, and building roads, and encouraging tourism and handicrafts.
- The Sebou Project in the Sebou River area, which encompasses a little over 15,000 square miles and has about 22 percent of Morocco's population. FAO is making a study of the area to develop plans for dam construction, flood control, irrigation projects, and industrial development.
- Operation Engrais—Operation Fertilizer—a government program to increase wheat production to meet home needs. The operation developed into a major project, using fertilizer and improved tillage and seed on 865,000 acres during 1967-68; yields were 50 percent higher on Operation Engrais fields than on nonparticipating farms under similar conditions (see *Foreign Agriculture*, Sept. 23, 1968). Unfortunately, this season's area had to be reduced to 815,000 acres owing to inclement weather during the planting season.

—Based on dispatch from CHARLES M. CLENDENEN
Assistant U.S. Agricultural Attaché, Rabat

Government Policies Bring Changes in Mexican Grain

Mexico's grain crops are expected to vary widely this year. Production of wheat will ease as the government continues to rein in this too-abundant crop. Corn, too, has become less economic, giving over much of its lost ground to grain sorghum. Among the less important grains, barley is expected to show a moderate increase, while oats is estimated to be down sharply.

Production estimates for the 1968-69 wheat crop vary considerably, but all sources do agree that the crop will be somewhat smaller than that of the previous season. The most reliable estimate is 2.15 million metric tons, compared with about 2.2 million in 1967-68. Domestic consumption—2.1 million tons—will take most of the production, but a sizable carryover means the country still may have 125,000 tons of wheat available for export.

Acreage this year is off more sharply—about 9 percent to 1.7 million acres—than production will be. Modern farming techniques have increased the average yield per acre, thus keeping wheat Mexico's third most important crop and frustrating government attempts to get back to self-sufficiency only.

With this goal in mind, CONASUPO—the government trade agency—reduced the official price paid for 1968-69 wheat. The reduction was also intended to cut losses suffered by having to sell a surplus at lowered world prices. CONASUPO expects to buy about 1.39 million tons of wheat this season at $64 per ton from Sonora, Sinaloa, and Baja California—the three leading wheat States. The remaining 760,000 tons will be bought at $73, with the price difference reflecting the difference in freight costs from farm to mill. CONASUPO, in turn, sells wheat at $73 per ton.

The 1968-69 corn crop will be less in both area and production than that of the past season—between 8.5 million and 8.75 million tons compared with 9.2 million. Producers are switching out of this crop into sorghum in response to more attractive prices for the latter product. Most of the decline in corn is occurring in the Bajío area and in northern Tamaulipas. Though no estimates have been ventured, stocks are reported to be high.

Here again, CONASUPO takes a loss when selling on the world market (currently the world price is 48 percent below CONASUPO's). Relief from the resulting loss is the intention of measures to suppress corn production on 222,000 acres of irrigated land. The loss from overproduction—resulting in the need to export 824,000 tons in 1967-68—is estimated at about $200 million. And it could be equally as high this season, as 900,000 tons are believed available for export.

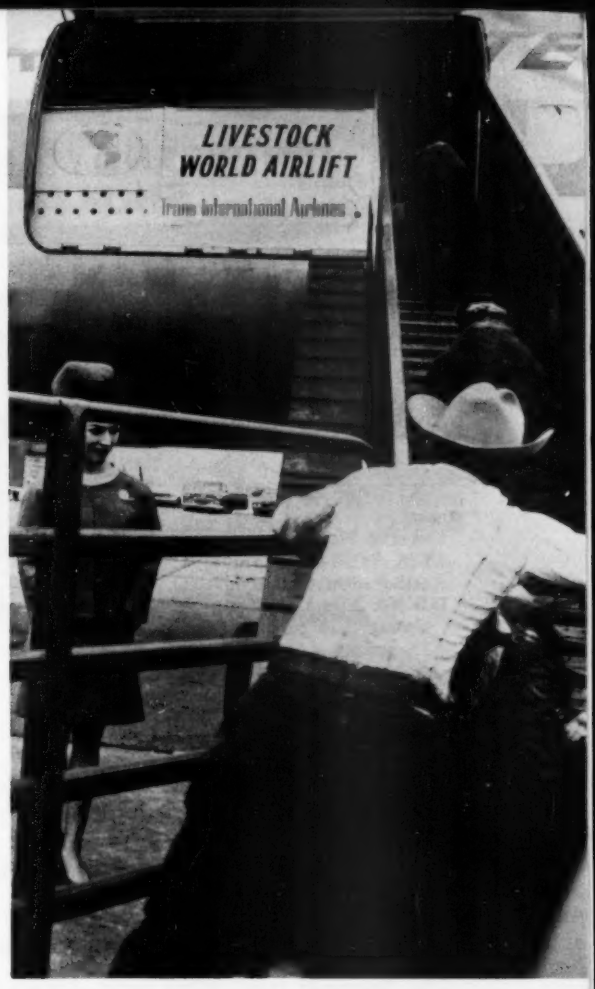
Production of sorghum will grow to about 1.5 million tons in 1968-69—the second best sorghum harvest for Mexico—compared with 1.3 million last season. Corn and cotton areas in the Bajío and northern Tamaulipas are being moved into this crop. Domestic sorghum consumption is estimated at 1.3 million tons this year.

Barley, the eighth largest crop in terms of area but only 17th in value, is put at 203,000 tons—5,000 tons over the previous crop. Most of the 675,000 acres in barley this season is located in the Bajío and in the Yaqui Valley.

Principal purchaser of barley in Mexico is the malt industry, which spends close to $18 million yearly on this commodity. No imports have been required since 1966, and the country hopes to continue this situation by stressing high-quality varieties of barley and production on irrigated land.

Oats production and area will both fall by about a third this season, to an estimated 20,000 tons from 91,000 acres. Mennonites in the State of Chihuahua have for some time been the principal growers of this crop. In recent years, they have tended to emigrate from that State and from Mexico, with the result that oats production has fallen off. Moreover, many of the Mennonites that stay prefer to grow wheat to oats now that high-yielding wheat varieties are available. The situation already appears to have reached the point where demand by processors considerably exceeds supply, and imports jumped from 3,000 tons in 1967-68 to 10,000 in 1968-69.

—Based on dispatch from WILLIAM L. RODMAN
U.S. Agricultural Attaché, Mexico City



First U.S. Cowlift to Chile

Cattle herding moved smartly into the air age with a history-making delivery of 2,680 head of American Polled Herefords from Fort Worth, Texas, to Punta Arenas, Chile, during 10 days in January. Follow-up reports show that the cattle—now 9-10 months old—suffered no ill effects from their journey and the Chileans are pleased with their purchase.

Speed of loading, travel, and disposal at destination has made airfreight cattle deliveries an economical operation. For example, each of the 10 6,300-mile trips to Punta Arenas took 15 hours, compared with an 18-day trip by water. Biggest potential will come with jumbo planes, which will haul nearly twice as many animals at considerably less expense per head.

The photos on this page show one shipment in its various stages. Cattle were brought to the Fort Worth airport in double-decker trucks each holding 105-110 head; the plane took three truckloads each trip.

The 187-foot fuselage of a Livestock World Airlift DC-8 Super 63 jetliner was converted from passenger accommodations to nine padded compartments for the cattle. Recirculating fans kept the animals comfortable, and they arrived in Punta Arenas hungry but in excellent condition.

The animals were provided by the American Polled Hereford Association, market development cooperator which has worked closely with the Foreign Agricultural Service for some time building a U.S. cattle market in Chile.

Clockwise from above left, cattle at airport in Fort Worth; with some encouragement the animals moved up stairs instead of usual cleated ramp; herd disembarked in Punta Arenas; and home on the Chilean pastures, maturing for breeding.

CROPS AND MARKETS SHORTS

Weekly Report on Rotterdam Grain Prices

Current prices for imported grain at Rotterdam, the Netherlands, with comparison to one week earlier and one year ago, are as follows:

Item	May 6	Change from previous week	A year ago
	Dol.	*Cents*	*Dol.*
Wheat:	*per bu.*	*per bu.*	*per bu.*
Canadian No. 2 Manitoba ...	1.93	0	2.00
USSR SKS-14	1.84	0	1.88
Australia Prime Hard	1.87	+1	(1)
U.S. No. 2 Dark Northern Spring: 14 percent	1.87	0	1.88
15 percent	1.92	+1	1.95
U.S. No. 2 Hard Winter 14 percent	1.89	+1	1.81
Argentine	1.80	0	1.88
U.S. No. 2 Soft Red Winter ..	1.68	+1	1.57
Feedgrains:			
U.S. No. 3 Yellow corn	1.47	0	1.34
Argentine Plate corn	1.55	+5	1.46
U.S. No. 2 sorghum	1.26	−1	1.35
Argentine-Granifero	1.25	+1	1.30

Note: All quoted c.i.f. Rotterdam for 30- to 60-day delivery.
[1] Not quoted.

Yugoslavian Tobacco Exports Decline

The downward trend which began following the record Yugoslavian tobacco export year of 47.7 million pounds in 1965 extended into 1968. Yugoslavia exported 32.6 million pounds of fermented tobacco during 1968, compared to 40.4 million pounds in 1967, a decline of 19 percent.

The principal factor for the overall decline was the sharp reduction in exports to the United States from 18.7 million pounds in 1967 to only 2.2 million pounds in 1968.

Lower exports to the United States were partly offset by increased shipments to the Soviet Union, Czechoslovakia, and some other European countries but did not fully make up for the reduced U. S. purchases.

Declining exports are largely responsible for high stocks of tobacco which at the end of 1968 were estimated at a record level of 70.4 million pounds. The build-up of stocks resulted despite declining tobacco production and increasing domestic consumption of cigarettes.

U.S. Tobacco Exports Rise in March

March 1969 exports of unmanufactured leaf and tobacco products show a substantial increase when compared with the same month last year. A total of 42.4 million pounds of leaf was shipped in March in comparison with 28.8 million pounds in the same month of 1968. Exports of tobacco products were also up with a value of $13.1 million compared to $9.8 million in March 1968.

Although the March shipments are up, the first quarter for 1969 (January-March) and the cumulative 9-month total exports for the current fiscal year are down compared with those of a year ago. Fiscal year exports of unmanufactured tobacco from July 1, 1968, through March 31, 1969, total 409.5 million pounds at a value of $365.3 million compared to 438.5 miliion pounds valued at $385.2 million last year.

The U.S. dock strike is held responsible for low exports in January and February of 1969. Expected upswing in exports during the final quarter of the current fiscal year is likely to bring the tobacco export level near that of last year.

U.S. EXPORTS OF UNMANUFACTURED TOBACCO
(Export weight)

Kind	March		January-March		Change from 1968
	1968	1969	1968	1969	
	1,000 pounds	*1,000 pounds*	*1,000 pounds*	*1,000 pounds*	*Percent*
Flue-cured	20,674	32,565	86,173	41,040	−52.4
Burley	3,600	4,029	8,962	5,731	−36.1
Dark-fired Ky.-Tenn. .	967	1,466	3,742	2,036	−45.6
Va. fire-cured [1]	341	260	1,359	856	−37.0
Maryland	625	226	2,361	336	−85.8
Green River	12	51	213	51	−76.1
One Sucker	0	19	7	19	+171.4
Black Fat	137	85	668	99	−85.2
Cigar wrapper	95	164	721	243	−66.3
Cigar binder	0	39	207	49	−76.3
Cigar filler	70	202	106	215	+102.8
Other	2,285	3,304	13,375	4,102	−69.3
Total	28,806	42,410	117,894	54,777	−53.5
	Mil. dol.	*Mil. dol.*	*Mil. dol.*	*Mil.dol.*	*Percent*
Declared value	26.0	37.7	100.6	49.9	−50.4

[1] Includes sun-cured.
Bureau of the Census.

U.S. EXPORTS OF TOBACCO PRODUCTS

Kind	March		January-March		Change from 1968
	1968	1969	1968	1969	
Cigars and cheroots					*Percent*
1,000 pieces	13,218	9,129	23,394	16,496	−29.5
Cigarettes					
Million pieces	1,532	2,136	5,087	4,366	−14.2
Chewing and snuff					
1,000 pounds.....	22	7	69	7	−89.9
Smoking tobacco in pkgs.					
1,000 pounds	69	106	265	212	−20.0
Smoking tobacco in bulk					
1,000 pounds	1,599	1,732	3,938	2,244	−43.0
Total declared value					
Million dollars	9.8	13.1	30.8	25.5	−17.2

Bureau of the Census.

U.S. Tobacco Imports Fluctuate

Parallel with exports of U.S. tobacco, general imports (arrivals) of unmanufactured tobacco during March registered an upswing. Arrivals of unmanufactured tobacco in March 1969 totaled 41.4 million pounds compared to 34.8 million pounds in 1968. The rise in March imports, however, failed to boost the level of the first-quarter (January-March) arrivals which at 52.8 million pounds are down by nearly

two-thirds when compared with 125.3 million pounds imported during the first quarter last year. Low arrivals in January and February 1969 are attributed to the U.S. dock strike.

Deliveries of unmanufactured tobacco for consumption, which represent primarily withdrawals of tobacco from bond, were not similarly affected by the dock strike and therefore were not subject to sharp fluctuations as general imports. Deliveries for consumption actually represent a decline from 20.4 million pounds in March 1968 to 16.9 million pounds during the same month this year. The cumulative total for the first quarter of 1969 (January-March) is also down from 58.9 million pounds in 1968 to 50.1 million pounds in 1969.

U.S. GENERAL IMPORTS OF UNMANUFACTURED TOBACCO

	1968		1969	
	Quantity	Value	Quantity	Value
January-March:	*1,000 pounds*	*1,000 dollars*	*1,000 pounds*	*1,000 dollars*
Cigarette leaf (flue & burley)	2,196	730	3,094	1,077
Cigarette leaf, other ..	104,109	73,560	33,896	22,106
Cigar wrapper	103	489	135	389
Mixed filler & wrapper	41	268	127	675
Cigar filler, unstemmed	10,097	3,158	5,999	2,097
Cigar filler, stemmed .	522	644	340	420
Scrap	8,202	1,874	8,658	2,439
Stems	56	2	537	12
Total	125,326	80,725	52,786	29,215
March:				
Cigarette leaf (flue & burley)	194	48	2,096	738
Cigarette leaf, other ..	28,418	18,659	28,879	19,244
Cigar wrapper	33	141	80	254
Mixed filler & wrapper	41	266	114	622
Cigar filler, unstemmed	3,291	1,157	2,971	1,093
Cigar filler, stemmed .	192	249	215	264
Scrap	2,594	543	6,681	1,871
Stems	0	0	349	6
Total	34,763	21,063	41,385	24,092

Bureau of the Census.

U.S. IMPORTS OF UNMANUFACTURED TOBACCO (FOR CONSUMPTION)

	1968		1969	
	Quantity	Value	Quantity	Value
January-March:	*1,000 pounds*	*1,000 dollars*	*1,000 pounds*	*1,000 dollars*
Cigarette leaf (flue & burley)	1,490	459	760	363
Cigarette leaf, other ..	42,959	31,251	35,276	24,211
Cigar wrapper	133	589	109	383
Mixed filler & wrapper	49	328	112	638
Cigar filler, unstemmed	1,001	568	679	517
Cigar filler, stemmed .	684	869	613	806
Scrap	12,485	4,307	12,240	4,377
Stems	89	3	359	19
Total	58,890	38,374	50,148	31,314
March:				
Cigarette leaf (flue & burley)	87	28	192	69
Cigarette leaf, other ..	15,405	11,752	11,824	8,108
Cigar wrapper	37	148	45	161
Mixed filler & wrapper	33	236	91	536
Cigar filler, unstemmed	334	152	238	199
Cigar filler, stemmed .	173	210	193	241
Scrap	4,274	1,249	4,137	1,433
Stems	33	1	149	5
Total	20,376	13,776	16,869	10,752

Bureau of the Census.

Ontario Flue-Cured Quota Set

The 1969 Canadian flue-cured crop quota has been set at 200 million pounds by the Ontario Flue-cured Tobacco Growers Board. Based on projected domestic requirements of 124 million pounds and indicated overseas requirements of 70.5 million pounds, the 1969 market demand has been estimated to be 194.5 million pounds. Buying companies agreed to pay an average price of 67 to 71 Canadian cents per pound, the same as indicated for the 1968 crop. The marketing board agreed to grow an additional 5.5 million pounds above estimated market requirements, bringing the total projected poundage to the 200-million total.

In the final market report covering the 1968 marketings, the marketing board indicated that a total of 200.4 million pounds of Ontario flue-cured sales averaged 71.3 Canadian cents for the season.

Nigeria Boosts Farm Export Duties

Export duties on Nigeria's major farm products have been raised from 10 to 15 percent, according to Nigeria's Federal Finance Ministry. The budgetary move—effective May 7—increases duties on banniseed; cocoa; cottonseed; cotton lint; groundnuts (peanuts); groundnut oil, meal, and cake; palm kernel oil (edible and inedible); palm kernels, and rubber. Duties on nearly all imports were also raised.

U.S. Exports of Soybeans and Products

U.S. exports of soybeans in March rose sharply to 36.6 million bushels following the 2-month dock strike, which resulted in exports of only 1.2 million bushels in January and 11.4 million in February. Almost 40 percent of the March total went to the European Community, 21 percent to Japan, and 13 percent to Taiwan. Exports during September-March totaled 184.3 million bushels or 7 percent more than in the comparable months last year. While exports destined for Canada and Taiwan were up sharply and those sent to the EC and Spain increased moderately, exports to Japan declined by 8 percent.

Although exports of soybean oil in March at 39.7 million pounds were almost double those in February, they were less than one-half the March 1968 volume. Most of the oil went to countries participating in Public Law 480 programs, with over one-third of the total sent to India. October-March exports were 377.9 million pounds, one-fifth less than last year's total.

March exports of cottonseed oil were 9.5 million pounds against only 3.6 million in March 1968, reflecting larger U.S. supplies this year. Cumulative exports in the first half of the year totaled 71.8 million pounds compared with only 25.2 million a year ago.

As with soybean exports, the heavy movement of soybean meal in March—449,000 tons compared with 258,000 a year earlier—reflected a comeback from the restricted shipments during the 2 month strike.

Almost 80 percent of the total was shipped to the EC countries and 5 percent to Canada. The heavy March exports, however, failed to offset the loss suffered from mid-December to mid-February when demand is usually the strongest. Consequently, exports during October-March at 1.4 million tons showed a lag of 135,000 tons from last year's level.

U.S. EXPORTS OF SOYBEANS, EDIBLE OILS, AND OILCAKES AND MEALS

Item and country of destination	Unit	March 1968 [1]	March 1969 [1]	Sept.-March 67-68 [1]	Sept.-March 68-69 [1]
SOYBEANS					
Belgium-Luxembourg	Mil. bu.	0.4	3.0	5.0	8.0
France	do.	([2])	0	.4	.2
Germany, West	do.	1.9	4.9	21.3	21.5
Italy	do.	1.6	2.7	11.3	13.1
Netherlands	do.	3.6	3.9	28.0	27.8
Total EC	do.	7.5	14.5	66.0	70.6
Japan	do.	([2])	7.8	43.5	40.1
Canada	do.	([2])	.1	11.8	19.2
Spain	do.	3.6	3.1	18.2	18.9
China, Taiwan	do.	([2])	4.6	5.1	12.4
Denmark	do.	1.1	3.1	10.1	9.7
Israel	do.	1.6	1.1	6.1	3.5
Others	do.	10.3	2.3	11.1	9.9
Total	do.	24.1	36.6	171.9	184.3
Oil equivalent	Mil. lb.	264.7	401.6	1,887.8	2,023.5
Meal equivalent	1,000 tons	566.5	859.6	4,040.4	4,330.8
EDIBLE OILS		March 1968 [1]	March 1969 [1]	Oct.-March 67-68 [1]	Oct.-March 68-69 [1]
Soybean: [3]					
India	Mil. lb.	0	13.7	111.5	126.2
Pakistan	do.	28.3	0	107.4	89.7
Morocco	do.	15.5	2.8	26.9	24.6
Tunisia	do.	22.7	4.9	60.4	18.8
Chile	do.	([4])	.3	1.3	14.4
Canada	do.	.6	1.7	11.1	13.3
Israel	do.	1.0	0	21.2	12.2
Iran	do.	1.8	0	2.8	10.3
Vietnam, South	do.	4.1	4.1	21.8	10.3
Haiti	do.	.9	2.0	7.4	9.9
Peru	do.	.1	.6	2.6	7.6
Others	do.	9.5	9.6	103.7	40.6
Total	do.	84.5	39.7	478.1	377.9
Cottonseed: [3]					
Venezuela	do.	2.8	1.8	17.2	33.2
Germany, West	do.	0	2.3	.4	15.3
Netherlands	do.	0	0	.5	10.0
Canada	do.	.4	2.3	.8	7.2
Others	do.	.4	3.1	6.3	6.1
Total	do.	3.6	9.5	25.2	71.8
Total oils	do.	88.1	49.2	503.3	449.7
CAKES AND MEALS					
Soybean:	1,000 tons				
Belgium-Luxembourg	do.	11.5	59.4	159.8	114.7
France	do.	49.4	78.2	255.5	214.8
Germany, West	do.	48.9	94.5	292.3	287.6
Italy	do.	37.7	21.0	78.3	101.1
Netherlands	do.	43.9	99.1	282.4	242.4
Total EC	do.	191.4	352.2	1,068.3	960.6
Canada	do.	19.2	20.5	115.0	165.7
Poland	do.	0	6.0	35.1	40.0
Yugoslavia	do.	11.2	0	47.0	39.8
Spain	do.	([5])	.1	.4	31.6
Switzerland	do.	.7	11.7	3.0	24.0
United Kingdom	do.	9.0	([5])	58.3	19.2
Ireland	do.	3.2	7.6	18.7	18.6
Japan	do.	([5])	18.4	.1	18.5
Others	do.	23.3	32.5	196.2	88.9
Total	do.	258.0	449.0	1,542.1	1,406.9
Cottonseed	do.	.3	.1	1.4	1.9
Linseed	do.	1.4	1.7	68.8	31.7
Total cakes and meals [6]	do.	264.7	455.8	1,639.5	1,475.2

[1] Preliminary. [2] Less than 50,000 bu. [3] Includes shipments under P.L. 480 as reported by Census. [4] Less than 50,000 lb. [5] Less than 50 tons. [6] Includes peanut cake and meal and small quantities of other cakes and meals.

Philippine Exports of Coconut Products

Registered exports of copra from the Philippine Republic during March 1969 totaled 35,250 long tons, an increase of 2,550 tons over the same month last year. Of the total, 22,200 tons moved to the United States, 2,150 tons less than in March 1968.

Coconut oil exports for March 1969 were 24,513 tons, up from the 13,583 a year ago. Shipments to the United States totaled 21,400 tons, an increase of 7,817 over March 1968.

January-March 1969 coconut oil exports were 49,191 long tons, with 35,831 moving to the United States.

Cumulative exports of copra and coconut oil on an oil equivalent basis for January-March were 135,263 tons, an increase of 13,298 over last year.

Desiccated coconut exports during March 1969 totaled 3,691 short tons with 2,533 tons moving to the United States. In the comparable period a year ago, exports were 4,077 tons, of which 3,821 came to the United States.

PHILIPPINE REGISTERED EXPORTS OF COPRA AND COCONUT OIL

Commodity and destination	March 1968	March 1969 [1]	January-March 1968	January-March 1969 [1]
	Long tons	*Long tons*	*Long tons*	*Long tons*
Copra:				
United States	24,350	22,200	61,445	57,808
Europe	7,850	11,750	43,650	74,580
South America	0	0	3,300	0
Japan	500	1,300	7,968	1,800
Taiwan	0	0	0	300
Total	32,700	35,250	116,363	134,488
Coconut oil:				
United States	13,583	21,400	38,970	35,831
Europe	0	3,113	8,523	13,360
Total	13,583	24,513	47,493	49,191

[1] Preliminary.
Associated Steamship Lines, Inc., Manila.

Record World Fishmeal Exports

World fishmeal exports, according to provisional data, approximated 4.0 million short tons in calendar 1968 compared with 3.25 million in 1967 and 2.61 million in 1966. By increasing 23 percent in 1968 fishmeal maintained its position as having the highest average rate of export growth among the major cakes and meals during the 1960-67 period.

Those countries accounting for most of the expansion in 1968 together with the net change from the 1967 volume—in 1,000 short tons—(including meal equivalent of fish solubles) are as follows: Peru +542; South Africa and South-West Africa +150; Denmark +91; and Chile about +90. The aggregate net increase was, however, reduced by smaller exports from Norway and Iceland. See *World Agricultural Production and Trade, Statistical Report,* July 1968, for detailed export data.

Fishmeal exports in 1968 accounted for roughly 18 percent of the aggregate exports of the major cakes and meals. The largest expansion in recent years has been chiefly in the developing countries, such as Peru and Chile, which in 1968 were estimated to have jointly accounted for about 62 percent of the world total. However, such developed countries as Norway, Denmark, and South Africa also have expanded sharply.

The sharp increase in fishmeal exports in general is attrib-

uted to several factors including: (a) the large and expanding needs for high protein feed supplements for poultry and swine; (b) abundant ocean fish stocks of the industrial types (anchovy, herring, pilchard, etc.); (c) increased use of improved fish finding and catching equipment; and (d) competitive pricing which has taken over a larger percentage of the aggregate world market for high protein animal feeds.

The future prospects for growth in exports of this commodity are expected to more closely approximate the more moderate aggregate growth rate for world demand of high protein feeds. Further growth potential may, however, exist for future development of derivatives for human consumption such as fish protein concentrate.

Fishmeal Prices Up Sharply

During the week ending May 9, European fishmeal prices continued the strong upward trend of recent weeks. New York quotations for June delivery, c.i.f. Hamburg, rose from $158 to $174 per metric ton, bid basis, before dropping at the end of the week to $170. At the latter price, based on 65 percent protein, each unit of protein in fishmeal costs $2.62. The comparable figure for 44 percent soybean meal at the current June price of $96.50 per metric ton is $2.19. This price relationship should tend to shift demand from fishmeal to soybean meal as a source of protein for animal feed.

The strength in fishmeal prices reflects the tightness in spot supplies reported in primary U.S. markets, reports of a sharp decline in Peruvian fishmeal production, and good European demand. New York dealers also noted that Peru recently imposed a 5-percent stamp tax on fishmeal exports.

New Order for Austrian Poultry Imports

The Austrian Parliament on April 25 gave its final approval to a marketing order governing importation of poultry meat into that country. This action clears the way for introduction of a levy system which is expected to go into effect on July 1, 1969. The proposed levy system will differ in some respects from the one applied by the EC against importation of poultry meat from third countries.

The marketing order will introduce a supplementary levy system in place of the current tariff structure. It will also eliminate the quota restrictions imposed only against importation of poultry meat from the United States. The present quota for U.S. poultry totals 2,100 metric tons (chicken parts 1,500; whole broilers 300; and turkey meat 300). The quota is equivalent to about 15 percent of Austria's import requirement for poultry meat. In the past few years, the United States filled only its turkey meat quota. With ample supplies of chicken meat available from neighboring European suppliers —East and West—U.S. exporters have not been able to offer chicken to Austrian importers at prices which are competitive with subsidized European supplies.

It is too soon to determine what impact, if any, the new marketing order will have on U.S. poultry exports to Austria. It will depend on the level at which minimum prices will be set for the different poultry products. Although it appears that the United States will no longer face the present restrictive quotas, it still will be competing with subsidized exports from nearby West European suppliers and low-priced supplies from East European countries.

U.S. Trade in Livestock and Meat

With the termination of the U.S. dock strike, exports and imports of livestock and meat products during March were above last year's level. Exports showed sizable gains during the first quarter, while most categories of imports were down.

U.S. IMPORTS OF SELECTED LIVESTOCK PRODUCTS

Commodity	March		Jan.-Mar.	
	1968	1969	1968	1969
Red meats:				
Beef and veal:				
Fresh and frozen:	*1,000*	*1,000*	*1,000*	*1,000*
Bone-in beef:	*pounds*	*pounds*	*pounds*	*pounds*
Frozen	1,091	328	2,145	1,276
Fresh and chilled	1,472	1,006	3,120	3,091
Boneless beef	53,810	122,443	188,078	207,457
Cuts (prepared)	90	236	287	470
Veal	1,176	4,238	4,819	6,072
Canned beef:				
Corned	5,942	7,162	20,408	19,263
Other, incl. sausage	1,196	1,081	4,098	2,850
Prepared and preserved	4,645	4,797	14,709	12,672
Total beef and veal [1]	69,423	141,294	237,668	253,149
Pork:				
Fresh and frozen	3,871	3,561	12,142	10,345
Canned:				
Hams and shoulders	20,488	31,495	57,497	53,202
Other	3,969	2,755	11,715	5,056
Cured:				
Hams and shoulders	116	99	303	259
Other	304	324	1,070	827
Sausage	231	332	600	613
Total pork [1]	28,977	38,568	83,324	70,305
Mutton and goat	6,575	8,067	19,322	10,527
Lamb	1,505	4,403	3,417	6,156
Other sausage	490	891	1,651	1,583
Other meats	545	1,595	3,390	2,433
Total red meats [1]	107,513	194,820	348,772	344,153
Variety meats	119	322	972	705
Meat extract	33	81	172	413
Wool (clean basis):				
Dutiable	13,963	9,971	40,156	24,336
Duty-free	7,748	9,901	29,067	15,622
Total wool [1]	21,710	19,872	69,224	39,957
Animal hair	983	1,019	2,578	1,951
	1,000	*1,000*	*1,000*	*1,000*
Hides and skins:	*pieces*	*pieces*	*pieces*	*pieces*
Cattle	42	18	91	70
Calf	29	36	128	63
Kip	20	22	63	79
Buffalo	26	46	126	107
Sheep and lamb	4,038	1,194	9,693	2,290
Goat and kid	417	762	1,768	1,011
Horse	25	36	97	49
Pig	33	104	184	174
Livestock:	*Number*	*Number*	*Number*	*Number*
Cattle [2]	98,689	78,219	224,112	250,470
Sheep	—	1,533	892	1,534
Hogs	1,776	543	5,530	1,930
Horses, asses, mules and burros	365	400	589	775

[1] May not add due to rounding. [2] Includes cattle for breeding.
U.S. Department of Commerce, Bureau of the Census.

Although total U.S. red meat imports were up substantially in March, imports for the first quarter of 1969 were 1.3 per-

cent below the level recorded for the first quarter of 1968. Most of the increase in red meat imports for March was accounted for by the increase in imports of fresh and frozen beef and veal. All categories of livestock imports, except hogs, were up for the first quarter of 1969.

All major categories of U.S. exports of livestock and meat products were above last year's levels for March and the first quarter of 1969. Exports of total red meats totaled 51.3 million pounds during the first quarter of 1969, up from 20.2 million pounds in the first quarter of 1968. Of the red meats, pork showed the greatest gain, going from 2.7 million pounds in March 1968 to 10.8 million pounds in March 1969. First-quarter pork exports totaled 39.6 million pounds, up from only 8.6 million pounds during the first quarter of 1968. Among the animal fats, March lard exports were more than double last year's level, bringing the first-quarter total up to 54.9 million pounds. March exports of the major categories of hides and skins were above year-earlier levels while only kip exports were up for the first quarter of 1969.

U.S. EXPORTS OF SELECTED LIVESTOCK PRODUCTS

Commodity	March		Jan.-Mar.	
	1968	1969	1968	1969
	1,000 pounds	*1,000 pounds*	*1,000 pounds*	*1,000 pounds*
Animal fats:				
Lard	13,349	29,104	47,186	54,872
Tallow and greases:				
Inedible	175,718	182,665	545,267	421,730
Edible	915	573	2,167	2,509
Meats:				
Beef and veal	2,297	2,661	7,148	6,612
Pork	2,653	10,821	8,571	39,586
Lamb and mutton	116	215	373	551
Sausages:				
Canned	85	121	355	241
Except canned	219	304	649	732
Meat specialties:				
Canned	84	183	307	327
Frozen	118	137	524	430
Other canned	774	1,087	2,296	2,854
Total red meats [1]	6,347	15,535	20,215	51,333
Variety meats	15,707	26,495	52,367	39,105
Sausage casings:				
Hog	326	684	1,329	1,331
Other natural	204	525	571	776
Mohair	1,094	441	2,294	720
Hides and skins:				
Cattle parts	3,358	3,833	8,497	7,880
	1,000 pieces	*1,000 pieces*	*1,000 pieces*	*1,000 pieces*
Cattle	1,045	1,045	3,025	2,917
Calf	153	176	499	300
Kip	25	49	97	103
Sheep and lamb	235	260	785	718
Horse	8	4	18	12
Goat and kid	31	17	46	23
Livestock:	*Number*	*Number*	*Number*	*Number*
Cattle and calves	2,812	3,163	10,646	9,461
Sheep, lambs, and goats	7,716	9,275	15,289	17,387
Hogs	899	79	2,932	356
Horses, asses, mules and burros	385	1,775	1,206	2,617

[1] May not add due to rounding.

U.S. Department of Commerce, Bureau of the Census.

U.S. Meat Imports Up in March

U.S. meat imports subject to quota restrictions during March totaled 136.1 million pounds. This level of imports was 112.2 percent more than for the same period in 1968 when imports totaled 64.1 million pounds. Imports during the January-March period totaled 228.4 million pounds, up 5 percent from the first quarter a year earlier.

U.S. IMPORTS SUBJECT TO MEAT IMPORT LAW
(P.L. 88-482)

Imports	March	Jan.-Mar.
	Million pounds	*Million pounds*
1969:		
Subject to Meat Import Law [1]	136.1	228.4
Total beef and veal [2]	141.3	253.2
Total red meats [3]	194.8	344.2
1968:		
Subject to Meat Import Law [1]	64.1	217.5
Total beef and veal [2]	69.4	237.7
Total red meats [3]	107.5	348.8
1967:		
Subject to Meat Import Law [1]	61.9	197.8
Total beef and veal [2]	68.0	215.1
Total red meats [3]	107.2	317.3

[1] Fresh, chilled and frozen veal, mutton and goat meat. [2] All forms, including canned and preserved. [3] Total beef, veal, pork, lamb, mutton and goat meat.

Mexican Exports of Fruits, Vegetables

Mexican exports of some fruits and vegetables to the United States have set new records in nearly every month of 1969. The following table shows, for the named commodities, the months in which new shipping records were set and the percentage by which the volume shipped in that month exceeded the volume shipped in the same month of 1968.

EXPORT INCREASES OF MEXICAN FRUITS AND VEGETABLES

Commodity	Compared to 1968 monthly levels		
	January	February	March
	Percent	*Percent*	*Percent*
Fresh strawberries	25	68	241
Frozen strawberries	25	12	63
Fresh cucumbers	107	51	96
Fresh eggplant	61	109	117
Fresh peppers	51	62	147
Fresh squash	140	79	224
Fresh tomatoes	47	—	48

South African Hops Imports Up

South Africa imported 584,000 pounds of hops in 1968 valued at $474,000 for an average value of 81 cents a pound. By comparison, 1967 imports totaled only 327,000 pounds. The United States supplied only 153,000 pounds or 26 percent of the 1968 total, mostly in the form of packaged hops put up for retail sale to home brewers.

The larger imports in 1968 resulted from a small crop of 130,000 pounds and low stocks at the beginning of the year. Because of smaller beginning stocks this year, imports are forecast at 780,000 pounds for 1969 in spite of a somewhat larger crop of 145,000 pounds. South African beer output is expected to rise from the 1.6 million U.S. barrels produced in 1968 to 1.7 million this year.

German Tenders for Canned Asparagus

West Germany announced two separate import tenders for canned asparagus spears and cuts and tips from the United

States and a number of other countries. Licenses for spears are limited to 50 percent of the applicant's imports during 1968-69. Licenses are valid until December 31, 1969, and the first day of customs clearance is June 16, 1969. For cuts and tips (tips only excluded) licenses will be valid until September 30, 1969. Applications for import licenses for overland must be made not later than 10 days after loading in the country of origin and 21 days are allowed for overseas shipments. In case of an embargo, goods must be loaded not later than 5 days after publication of embargo and 14 days for overseas loading.

Hamburg Prices of Canned Fruits, Juices

Quotations represent importers' selling prices including duty and sugar-added levy but excluding value-added tax. Sales are in lots of 50 to 100 cases.

Type and quality	Size of can	Price per dozen units Apr. 1968	Jan. 1969	Apr. 1969	Origin
CANNED FRUIT		*U.S. dol.*	*U.S. dol.*	*U.S. dol.*	
Apricot halves:					
Choice	2½	3.21	2.82	2.82	Spain
Not specified	2½	3.18	2.82	2.85	Greece
Do	2½	2.88	2.58	2.58	Bulgaria
Peaches, halves:					
Choice, light syrup	2½	—	—	3.63	United States
Do	2½	3.60	3.45	3.60	South Africa
Standard, light syrup	2½	3.54	3.39	3.39	Australia
Do	2½	3.54	3.45	3.45	Argentina
Not specified	2½	3.30	2.88	2.85	Greece
Do	2½	2.94	2.70	2.70	Bulgaria
Pears:					
Heavy syrup	2½	3.90	3.66	3.78	Italy
Fruit cocktail:					
Heavy syrup	2½	5.55	5.55	5.25	United States
Standard, light syrup	10	—	16.35	16.35	Australia
Light syrup	2½	—	4.65	4.65	Argentina
Not specified	2½	—	—	4.65	Italy
Cherries, R.S.P.:					
Not specified	2½	—	5.76	5.70	Greece
Do	3 kg.	—	21.90	21.90	Italy
Do	3 kg.	—	19.74	19.74	Netherlands
Pineapple:					
Whole slices:					
Fancy	2½	5.16	5.25	5.25	United States
Choice	2½	3.80	3.70	3.69	United States
Do	2½	3.82	3.84	3.54	Philippines
Not specified	2½	3.39	3.45	3.30	Thailand
Do	2½	3.30	3.21	3.27	Ivory Coast
Do	2½	3.24	3.21	3.21	South Africa
Pieces and halves:					
Not specified	211	2.64	1.95	1.95	Philippines
Do	2½	2.97	3.18	3.12	Taiwan
Do	2½	2.70	2.85	2.85	Thailand
Do	2½	—	2.70	2.70	China
Crushed:					
Fancy	10	11.16	11.70	11.85	Philippines
Choice	10	—	8.40	8.40	South Africa
Not specified	2½	—	—	2.98	Ivory Coast
Do	2½	2.55	2.67	2.67	China
CANNED JUICES					
Grapefruit, unsweetened	2	—	1.71	1.92	United States
Do	2	—	1.86	1.86	Israel
Do	2	1.38	1.56	1.59	China
Orange, unsweetened	[1] 1 qt.	4.41	3.78	4.35	United States
Do	[1] 1 qt.	—	3.81	3.51	Israel
Do	43 oz.	3.30	3.30	3.30	Greece
Do	43 oz.	—	3.09	3.27	Italy

[1] Packed in glass bottles.

Larger French Canned Fruit Pack

France reports larger canned deciduous fruit production in 1968. The total pack of canned fruit in sirup is estimated at 2,209,000 cases, basis 24/2½'s, 11 percent above the 1967 pack of 1,997,000 cases. French plantings of clingstone peaches have been large in the relatively new canning area surrounding Nimes during recent years, and the pack is expected to climb rapidly in the next few years. Canned peach production (clingstone and freestone) reached 372,000 cases, 16 percent above the 1967 pack of 321,000 cases. Production of fruit cocktail totaled a record 170,000 cases, over twice the 1967 level. The apricot, cherry, pear, and mixed fruit packs declined.

MAJOR FRENCH DECIDUOUS FRUITS IN SIRUP

Item	1966	1967	1968
	1,000 cases 24/2½'s	*1,000 cases 24/2½'s*	*1,000 cases 24/2½'s*
Apricots	110	230	224
Cherries	298	382	294
Peaches	264	321	372
Pears	269	322	238
Plums	311	206	475
Fruit cocktail	13	82	170
Mixed fruit	533	415	404

Iran Increases Sugar Production

Iran reports that it will become self-sufficient in sugar production by 1971. This is to be accomplished mainly through the expansion of the capacities of existing government-controlled sugar mills. Five of these mills have expanded their daily production capacities from a combined total of 2,350 metric tons to 5,600 tons.

This is an ambitious undertaking and may take longer than 1971 to accomplish. Most of the mills lack storage facilities, especially when the harvest is in full swing. Also, the 3.1 percent annual population growth and increased consumer incomes will readily overtake the larger production of sugar.

Crops and Markets Index

Dairy and Poultry
17 New Order for Austrian Poultry Imports
Fats, Oils, and Oilseeds
15 Nigeria Boosts Farm Export Duties
15 U.S. Exports of Soybeans and Products
16 Philippine Exports of Coconut Products
16 Record World Fishmeal Exports
17 Fishmeal Prices Up Sharply
Fruits, Vegetables, and Nuts
18 Mexican Exports of Fruits, Vegetables
18 South African Hops Imports Up
18 German Tenders for Canned Asparagus
19 Hamburg Prices of Canned Fruits, Juices
19 Larger French Canned Fruit Pack
Grain, Feed, Pulses and Seeds
14 Weekly Report on Rotterdam Grain Prices
Livestock and Meat Products
17 U.S. Trade in Livestock and Meat
18 U.S. Meat Imports Up in March
Sugar, Fibers and Tropical Products
19 Iran Increases Sugar Production
Tobacco
14 Yugoslavia Tobacco Exports Decline
14 U.S. Tobacco Exports Rise in March
14 U.S. Tobacco Imports Fluctuate
15 Ontario Flue-Cured Quota Set

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Peru's 1968-69 Fishmeal Output and Exports

Peru, the world's largest producer and exporter of fishmeal, is expected to produce an estimated 2.1 million short tons of fishmeal in 1968-69 compared with nearly 2.3 million tons in 1967-68. The estimated decline this season is based on the likelihood of a smaller catch, perhaps 10 million tons, with an average reduction rate of 19.0 percent. The official catch limit is presently 9.5 million metric tons—0.7 million above that set earlier this season but a million tons less than the 10.5 million tons caught last year.

Exports, which shot sharply ahead by 144,000 tons in the October-March 1968-69 period from comparable months in 1967-68, will probably slack off significantly in the remainder of 1968-69. Stocks at the end of March were 245,000 tons less than a year earlier. Some further drawdown is anticipated.

The monthly rate of exports in the remainder of 1968-69 will probably be significantly less than the comparable months of last year. Reduced availabilities may be reflected in price competition with soybeans and other products.

In calendar 1968 Peruvian fishmeal exports increased to a record volume of nearly 2.3 million short tons—575,700 tons more than in 1967. The United States—the largest single market for fishmeal—took an additional 114,600 tons, 26.4 percent of the total. West European countries, particularly West Germany, accounted for the remaining increase.

Fishmeal prices have increased substantially in recent weeks and on April 29 were quoted at $161.00 per ton bulk. New Orleans compared with $121.50 a year ago. Soybean meal prices on the same date for 44 percent, Decatur, were $73.75 per ton, slightly below the $75 price a year ago.

Thus, the ratio of fishmeal price to soybean meal price is now about 2.2:1.0 against 1.6:1.0 a year ago. U.S. imports of fishmeal are likely to be reduced sharply as long as the current ratio persists. Already under the pressure of rising fishmeal prices, U.S. imports of fishmeal in the January-March period this year amounted to about 100,000 tons or 95,000 tons less than the comparable 3-month period in 1968. Total U.S. imports of fishmeal in calendar 1968 were a record 856,334 tons—31 percent above the 653,468 tons imported in 1967.

There continues to be some uncertainty about possible future reintroduction of the 5-percent ad valorem tax on fishmeal which was suspended through the end of May.

PERU'S FISHMEAL EXPORTS

Area and country	1967		1968	
United States and other North America	*1,000 short tons* 492.7	*Percent* 28.6	*1,000 short tons* 607.3	*Percent* 26.4
South America	96.9	5.6	158.1	6.9
West Germany	310.5	18.1	437.5	19.1
Other Western Europe	474.4	27.6	630.4	27.5
Eastern Europe	272.7	15.8	282.4	12.3
Japan and all others	73.4	4.3	180.6	7.8
Total	1,720.6	100.0	2,296.3	100.0

Sociedad Nacional de Pesqueria.

PERU'S FISHMEAL PRODUCTION, EXPORTS, STOCKS

Item	1966-67		1967-68		1968-69 [1]	
October-December:	*1,000 short tons*	*Percent*	*1,000 short tons*	*Percent*	*1,000 short tons*	*Percent*
Production	402	25	806	35	659	31
Exports	309	20	482	23	666	31
Apparent change in stocks	+93		+324		−7	
Stocks (Dec. 31)	413		661		432	
January-March:						
Production	617	39	695	31	641	31
Exports	367	24	607	29	567	26
Apparent change in stocks	+250		+88		+74	
Stocks (Mar. 31)	657		740		495	
April-June:						
Production	517	32	445	20	(550)	26
Exports	461	30	592	26	(550)	25
Apparent change in stocks	+56		−147		(0)	
Stocks (June 30)	705		576		(485)	
July-September:						
Production	58	4	319	14	(250)	12
Exports	411	26	431	22	(400)	18
Apparent change in stocks	−353		−112		(−150)	
Stocks (Sept. 30)	345		450		(325)	
Total:						
Production	1,594	100	2,265	100	(2,100)	100
Exports	1,548	100	2,112	100	(2,183)	100
Net apparent change in stocks	+46		+153		(−83)	
Apparent domestic consumption	31		48		(42)	

[1] Preliminary. Figures in parentheses, estimated.

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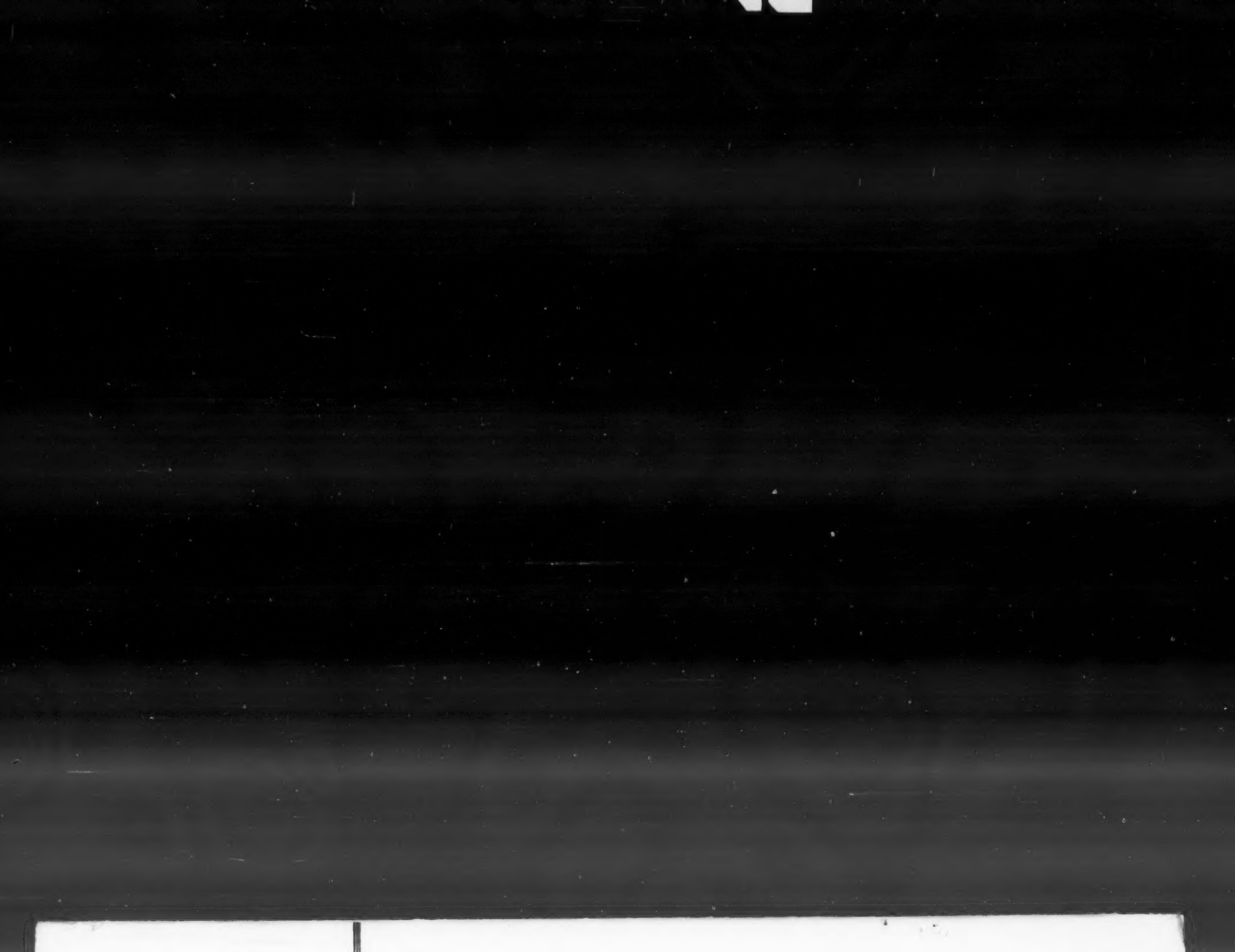
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